



JENNIFER M. GRANHOLM
GOVERNOR


STATE OF MICHIGAN
OFFICE OF THE STATE BUDGET
LANSING

ROBERT L. EMERSON
DIRECTOR

September 26, 2007

MEMORANDUM

TO: Finance, Administrative, and Human Resource Officers
All State Agencies

FROM:  Ruth Mealy, Director
Payroll and Tax Reporting Division
Office of Financial Management

SUBJECT: 2008 Contribution Rates for Retirement

The attached table has been updated to reflect retirement rates that will be effective for fiscal year 2008. These changes will be effective with the November 1, 2007 pay date and are summarized below.

Retirement Code	Current Rate	Revised Rate
RE01	4.68%	35.10%
RE02/17	34.63%	54.18%
RE04	6.63%	30.12%
RE26	3.91%	41.98%
DC Health Insurance	12.20%	11.40%
DC 4% - Employer	0.00%	3.92%
DC 4% - Forfeiture	4.00%	0.08%
DC Match	0.00 – 3.00%	0.00 – 3.00%

Please refer any questions regarding this memo to Amy Rice, Office of Financial Management, Payroll and Tax Reporting Division at (517) 241-0832.

Attachment

cc w/att: N. Duncan

M. Moody

L. Mester

D. Ringler

P. Lack

P. Stoddard – ORS

J. Winters – DCS

T. Hall – OSE

D. Pintacura

OSB Directors

PTR Staff

J. Paxton

J. Hallitt

SOCIAL SECURITY, MEDICARE, AND RETIREMENT RATES
October 8, 2007

Rtmt. Code	Calendar Yr. Earnings	Employee Share				State Share			
		Social Security	Medicare	Retirement	Total	Social Security	Medicare	Retirement	Total
01	\$0 - \$97,500	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	35.10%	42.75%
	Over \$97,500	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	35.10%	36.55%
02	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	54.18%	54.18%
03	\$0 - \$97,500	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%
04	\$0 - \$97,500	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	30.12%	37.77%
	Over \$97,500	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	30.12%	31.67%
05	\$0 - \$97,500	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%
06	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
07	\$0 - \$97,500	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%
08	\$0 - \$97,500	6.20%	1.45%	3.50%	11.15%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	3.50%	4.95%	0.00%	1.45%	0.00%	1.45%
09	\$0 - \$97,500	6.20%	1.45%	9.00%	16.65%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	9.00%	10.45%	0.00%	1.45%	0.00%	1.45%
10	\$0 - \$97,500	6.20%	1.45%	1.50%	9.15%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	1.50%	2.95%	0.00%	1.45%	0.00%	1.45%
11	\$0 - \$97,500	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%

SOCIAL SECURITY, MEDICARE, AND RETIREMENT RATES
October 8, 2007

Rtmt. Code	Calendar Yr. Earnings	Employee Share				State Share			
		Social Security	Medicare	Retirement	Total	Social Security	Medicare	Retirement	Total
12	\$0 - \$97,500	6.20%	1.45%	5.00%	12.65%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	5.00%	6.45%	0.00%	1.45%	0.00%	1.45%
13	\$0 - \$97,500	6.20%	1.45%	3.58%	11.23%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	3.58%	5.03%	0.00%	1.45%	0.00%	1.45%
14	\$0 - \$97,500	6.20%	1.45%	8.36%	16.81%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	8.36%	9.81%	0.00%	1.45%	0.00%	1.45%
15	\$0 - \$97,500	6.20%	1.45%	8.38%	16.03%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	8.38%	9.83%	0.00%	1.45%	0.00%	1.45%
16	\$0 - \$97,500	6.20%	1.45%	3.59%	11.24%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	3.59%	5.04%	0.00%	1.45%	0.00%	1.45%
17	All	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	54.18%	55.63%
18	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	All	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%
24	\$0 - \$97,500	6.20%	1.45%	5.23%	12.88%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	5.23%	6.68%	0.00%	1.45%	0.00%	1.45%
25	\$0 - \$4,200	6.20%	1.45%	3.00%	10.65%	6.20%	1.45%	0.00%	7.65%
	\$4,200 - \$97,500	6.20%	1.45%	5.00%	12.65%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	5.00%	6.45%	0.00%	1.45%	0.00%	1.45%

SOCIAL SECURITY, MEDICARE, AND RETIREMENT RATES
October 8, 2007

Rtmt. Code	Calendar Yr. Earnings	Employee Share				State Share			
		Social Security	Medicare	Retirement	Total	Social Security	Medicare	Retirement	Total
26	\$0 - \$97,500	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	41.98%	49.63%
	Over \$97,500	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	41.98%	43.43%
27	\$0 - \$97,500	6.20%	1.45%	7.00%	14.65%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	7.00%	8.45%	0.00%	1.45%	0.00%	1.45%
30	\$0 - \$97,500	6.20%	1.45%	13.50%	21.15%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	13.50%	14.95%	0.00%	1.45%	0.00%	1.45%
31	\$0 - \$97,500	6.20	1.45%	10.46%	18.11%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	10.46%	11.91%	0.00%	1.45%	0.00%	1.45%
32	\$0 - \$97,500	6.20	1.45%	10.40%	18.05%	6.20%	1.45%	0.00%	7.65%
	Over \$97,500	0.00%	1.45%	10.40%	11.85%	0.00%	1.45%	0.00%	1.45%
40	\$0 - \$97,500	6.20%	1.45%	Varies ¹	Varies 7.65%-10.65%	6.20%	1.45%	Varies ²	Varies 23.05-26.05%
	Over \$97,500	0.00%	1.45%	0-3%		0.00%	1.45%	15.40-18.40%	16.85-19.85%
50	\$0 - \$97,500	6.20%	1.45%	Varies ¹	Varies 7.65%-10.65%	6.20%	1.45%	Varies ³	Varies 11.65-14.65%
	Over \$97,500	0.00%	1.45%	0-3%		0.00%	1.45%	4-7%	5.45-8.45%
52	\$0 - \$97,500	6.20%	1.45%	Varies ¹	Varies 9.65%-12.65%	6.20%	1.45%	Varies ³	Varies 11.65-14.65%
	Over \$97,500	0.00%	1.45%	2-5%		0.00%	1.45%	4-7%	5.45-8.45%
60	\$0 - \$97,500	6.20%	1.45%	Varies ¹	Varies 7.65%-10.65%	6.20%	1.45%	Varies ³	Varies 11.65-14.65%
	Over \$97,500	0.00%	1.45%	0-3%		0.00%	1.45%	4-7%	5.45-8.45%

¹ Code DZ40 or DJ40 varies from 0.00% to 3.00%, depending on employee election.

² Includes mandatory state share (DZ4S) (4%⁴), state match of optional employee share (DZ40) (0.00% to 3.00%), and state share for post-retirement health insurance benefits (RE40) (11.40%).

³ The contribution for codes DZ4S & DJ4S is 4.0%⁴. The contribution for codes DZ40 and DJ40 varies from 0.00% to 3.0%.

⁴ The 4.0% is comprised of cash expenditures of 3.92% (Deduction Codes YD40 & YJ40) and use of forfeiture account balances of 0.08% (YD41 & YJ41). No expenditure is incurred for forfeiture amounts.